

MEMO TO: Jerry Sexton
FROM: Paul F. Kautz
DATE: November 20, 1995
SUBJECT: Blinebry Top - Shell E&P Inc. NEDU #118

I agree with Shell's Blinebry top of 5750 feet in the Shell Exploration & Production Inc. Northeast Drinkard Unit #118.

This well lies within the pool boundaries of the North Paddock Pool and their proposed deepening would leave both the Paddock and Blinebry open.

MERIDIAN OIL

January 24, 1996

Shell Western E&P Inc.
P. O. Box 576
Houston, Texas 77001

Attn: Mr. D. B. Champlin

Re: NEDU #118 Reentry - Waiver Request
Northeast Drinkard Unit
Lea County, New Mexico
602613-00

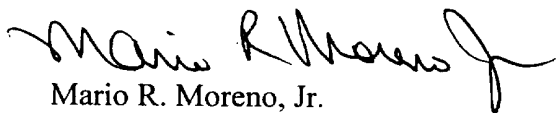
Dear Donnie:

Enclosed is your letter dated December 27, 1995 regarding Shell's waiver request for the reentry of the NEDU #118 well. Said request has been agreed to and accepted on behalf of Meridian Oil Inc.

Please call should you have any further questions.

Very truly yours,

MERIDIAN OIL INC.



Mario R. Moreno, Jr.
Senior Staff Landman

MRM/bk
Enclosure

Shell Western E&P Inc.

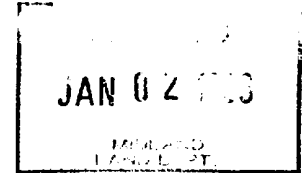
An affiliate of Shell Oil Company



P. O. Box 576
Houston, TX 77001

December 27, 1995

Mr. Mario Moreno
Meridian Oil
P. O. Box 51810
Midland, TX 79710-1810



Dear Mr. Moreno:

Subject: NEDU #118 Reentry - Waiver Request
C/NM/025/87/101
Northeast Drinkard Unit
Lea County, New Mexico

Shell Western E&P Inc. ("SWEPI") desires to reenter the NEDU #118 (formerly Meridian's State #9 donated to the Northeast Drinkard Unit in 1987) wellbore with the intent of deepening for a Unit Blinebry producer. The area around the NEDU #118 (currently PA'd) is supported by three Blinebry injection wells and due to the mechanical failure of the NEDU #119, the producing pattern is currently not being drained. Due to the poor mechanical integrity of the NEDU #119, it is not economically feasible to repair the well. As such, the NEDU #118 provides a potential cost effective replacement location for the NEDU #119. Our intent would be to deepen the NEDU #118 openhole section approximately 250'. As can be seen on the attached well log for the NEDU #118, the prior producing interval was located at the lowermost portion of the Paddock and partially penetrated the Blinebry. The only limitation with pursuit of our proposed plan is that there will be a small interval of the Paddock that will also be open within the Blinebry openhole section. Meridian of course possesses the mineral rights associated with the Paddock interval, however, this should not be problematic, given that the Paddock interval was producing at uneconomic limits (approx. 1/2 BOPD, 2 MCF/D and 2 BWPD) when it was donated to the unit in 1987, therefore, essentially depleted.

The alternative to SWEPI's above proposed approach would be to run a 70' liner across the Paddock interval and isolate it behind pipe. However, this plan has detrimental aspects of limiting our working hole size, in addition to increased costs of approximately \$50,000 to the Unit Working Interest Owners (including Meridian). Therefore, we respectfully request that Meridian approve the Unit's aforementioned work plan allowing entry into the portion of the depleted Paddock interval (identified on attached well log), without the isolation of said interval for the sole purpose of completing as a Unit Blinebry producer. If you are in agreement, please execute in the signature block provided below and fax return to the attention of the undersigned at (713) 544-2632.

We appreciate your timely consideration of our proposal. Should you have any questions with regard to our proposal, please feel free to contact Mr. Tom Reed at (713)544-2766 or the undersigned at (713)544-3195.

Sincerely,

D.B. Champlin

D. B. Champlin, CPL/ESA
Western & Central Assets
Continental Division

DBC:dbc

Meridian Oil

Agreed To And Accepted this 23rd day of January, 1996.

By: *Mr. W. Darro*

Title: *Regional Landman*

*CB
MPW*

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
B-11613

7. Lease Name or Unit Agreement Name

STATE

8. Well No.
9

9. Pool name or Wildcat
NORTH PADDOCK

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL GAS WELL OTHER

2. Name of Operator
SHELL WESTERN E&P INC.

3. Address of Operator
P. O. BOX 576, HOUSTON, TX 77001 (WCK 4435)

4. Well Location
Unit Letter F : 1973 Feet From The NORTH Line and 1650 Feet From The WEST Line
Section 2 Township 21S Range 37E NMPM LEA County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3502.8' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

8-24 to 8-31-89:
CO to 5775' (tagged fill). Set CIBP @ 5650' & capped w/40' cmt. Tagged TOC @ 5610'. Pres tstd csg to 500#, held OK. Pmpd 25 sx Cls "C" Neat cmt & spot from 2750' to 2388'. Perf'd 4-way shot @ 1480'. Estab circ to surf via 4-1/2" x 13-3/8" annulus. Set CICK @ 1408'. Estab circ. Pmpd 400 sx Cls "C" cmt + 8% bentonite. Had good returns while pmpg. Flush cirt w/ 5-1/2 bbls FW. Had no cmt returns out bradenhead. Shut down 6 hrs. Ran temp svy from surf to 1400'. TOC @ 970', poss stringer @ 670'. Pres tstd csg from surf to 1400' to 500# for 30 min, held OK. Obtained advice from NMOC's Mr. Jerry Sexton before proceeding. Spot 35 sx Cls "C" cmt from 453' to surf inside 4-1/2" csg. Pmpd 1/2 bbl slurry to fill 4-1/2" csg. Cut off 4-1/2" csg 3' below GL & weld on cap. Installed abandonment marker. Cld & leveled loc. Well is P&A'd.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE J. H. Smitherman TITLE REGULATORY SUPV. DATE 9-26-89
TYPE OR PRINT NAME J. H. SMITHERMAN (713) 870-3797 TELEPHONE NO.

(This space for State Use)
APPROVED BY R. A. Luder TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

R N

e

OIL & GAS INSPECTOR OCT 18 1989

RECEIVED

SEP 26 1989

OCB
MOBBS OFFICE

Submit 5 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
B-11613

7. Lease Name or Unit Agreement Name

STATE

8. Well No.
9

9. Pool name or Wildcat
NORTH PADDOCK

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL GAS WELL OTHER

2. Name of Operator
SHELL WESTERN E&P INC.

3. Address of Operator
P. O. BOX 576, HOUSTON, TX 77001 (WCK 4435)

4. Well Location
Unit Letter F : 1973 Feet From The NORTH Line and 1650 Feet From The WEST Line
Section 2 Township 21S Range 37E NMPM LEA County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3502.8' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

WELL STATUS: SI -- PROD EQUIP POH ON 3-31-89.

- CO to 5682'.
- Set CIBP @ ±5650' & cap w/35' cmt.
- Pres tst csg to 500#.
- Spot 25 sx CIs "C" cmt from 2750' to 2450'.
- Perf 4-way shot @ 1500'.
- Estab circ to surf via 4-1/2" X-13-3/8" annulus.
- Set cmt ret @ 1400'. Estab circ.
- Pmp 150 sx CIs "C" cmt + 8% bentonite + .3% Halad-9 tailing w/CIs "C" + 8% bentonite until cmt returns are recd @ surf.
- If successful in circ cmt to surf, proceed to step 10. If unsuccessful, TOH, run temp survey to determine new TOC, & contact Houston for revised procedures.

(CONT'D ON REVERSE SIDE)

THE COMPLETION MUST BE NOTICED 24 HOURS PRIOR TO THE BEGINNING OF PLUGGING OPERATIONS FOR THE C-103 TO BE APPROVED.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE J. H. Smitherman TITLE REGULATORY SUPV. DATE 6-20-89

TYPE OR PRINT NAME J. H. SMITHERMAN (713) 870-3797 TELEPHONE NO.

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

JUN 23 1989

10. Spot 25 sx Cls "C" cmt from 475' to 175' (across 13-3/8" csg shoe).
11. Spot 10 sx Cls "C" cmt from 100' to surf.
12. Cut off 4-1/2" csg 3' below GL & weld on cap.
13. Cln & level loc. Install 4" diameter steel marker extending at least 4' above GL.

RECEIVED

JUN 22 1989

OCD
HOBBS OFFICE

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

**REQUEST FOR ALLOWABLE AND AUTHORIZATION
 TO TRANSPORT OIL AND NATURAL GAS**

I.

Operator SHELL WESTERN E&P INC.	Well API No.
Address P. O. BOX 576, HOUSTON, TX 77001 (WCK 4435)	
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)	
New Well <input type="checkbox"/>	Change in Transporter of:
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>
Change in Operator <input checked="" type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>
If change of operator give name and address of previous operator SOUTHLAND ROYALTY CO., 21 DESTA DRIVE, MIDLAND, TX 79705	

II. DESCRIPTION OF WELL AND LEASE

Lease Name STATE	Well No. 9	Pool Name, including Formation NORTH PADDOCK	Kind of Lease State, Federal or Fee	Lease No. B-11613
Location Unit Letter <u>F</u> : <u>1973</u> Feet From The <u>NORTH</u> Line and <u>1650</u> Feet From The <u>WEST</u> Line Section <u>2</u> Township <u>21S</u> Range <u>37E</u> , NMPM, LEA County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/> NONE - TO BE P&A'D	Address (Give address to which approved copy of this form is to be sent)					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/> NONE - TO BE P&A'D	Address (Give address to which approved copy of this form is to be sent)					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When ?

If this production is commingled with that from any other lease or pool, give commingling order number.

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.		
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth		
Perforations						Depth Casing Shoe		

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)


Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.


 Signature
 J. H. SMITHERMAN REGULATORY SUPV.
 Printed Name Title
 6-20-89 (713) 870-3797
 Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved JUN 23 1989

By ORIGINAL SIGNED BY JERRY SEXTON
 DISTRICT I SUPERVISOR

Title _____

- INSTRUCTIONS:** This form is to be filed in compliance with Rule 1104
- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
 - 2) All sections of this form must be filled out for allowable on new and recompleted wells.
 - 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
 - 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

9

OIL CONSERVATION DIVISION
 P. O. BOX 2088
 SANTA FE, NEW MEXICO 87501

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U.S.O.B.	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
OPERATOR	
PROMOTION OFFICE	

REQUEST FOR ALLOWABLE
 AND
 AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Operator
 Southland Royalty Company

Address
 21 Desta Drive, Midland, Texas 79701

Reason(s) for filing (Check proper box) Other (Please explain)

New Well Change in Transporter of:
 Recompletion Oil Dry Gas
 Change in Ownership Casinghead Gas Condensate Reclassifying to an Oil Well

If change of ownership give name and address of previous owner _____

I. DESCRIPTION OF WELL AND LEASE

Lease Name: State Well No.: 9 Pool Name, including Formation: North Paddock R-7248 Kind of Lease: State, Federal or Free State Lease No.: B-11613

Location: Unit Letter F, 1973 Feet From The North Line and 1650 Feet From The West

Line of Section 2 Township 21S Range 37E NMPM, Lea County

II. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil or Condensate
 Texas New Mexico Pipe Line Co. Address (Give address to which approved copy of this form is to be sent)
 Box 1510, Midland, Texas 79702

Name of Authorized Transporter of Casinghead Gas or Dry Gas
 Getty Oil Co. Address (Give address to which approved copy of this form is to be sent)
 2 Midland Nat'l Center, Midland, Tx 79702

If well produces oil or liquids, give location of tanks. Unit F Sec. 2 Twp. 21S Rge. 37E is gas actually connected? Yes When Unknown

If this production is commingled with that from any other lease or pool, give commingling order number: _____

III. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well	Workover	Deepen	Plug Back	Some Restv.	Diff. Restv.
Date Spurred	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.					
4-25-62	7-16-62	5780	NA					
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth					
3503' GR	Lower Paddock	5682'	5644'					
Perforations	Depth Casing Shoe							
5682-5780'								

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
17 1/2"	13 3/8"	326'	335 SX.
7 7/8"	4 1/2"	5682'	570 SX.
	2 3/8"	5644'	

IV. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
	11-20-82	Pumping	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
24 hrs	64#		
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF
10 BO	10	1	135

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (shut-in)	Casing Pressure (shut-in)	Choke Size

V. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

F. N. Row
 (Signature)

District Operations Engineer
 (Title)

1/3/83
 (Date)

OIL CONSERVATION DIVISION
 JAN 31 1983

APPROVED _____, 19____

BY ORIGINAL SIGNED BY EDDIE SEAY

TITLE OIL & GAS INSPECTOR

This form is to be filed in compliance with RULE 1104.
 If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviated tests taken on the well in accordance with RULE 111.
 All sections of this form must be filled out completely for allowable on new and recompleted wells.
 Fill out only Sections I, II, III, and VI for changes of owner well name or number, or transporter, or other such change of condition.
 Separate Form C-104 must be filed for each pool in multiple completed wells.

RECEIVED
JAN 18 1983
C.C.D.
HOBBS OFFICE